

**Minutes with Mike episode with Commissioner Larry Pogemiller
March 12, 2014**

- I want to welcome our listeners to “**Minutes with Mike,**” our series of Minnesota Department of Commerce podcasts where we talk about **financial literacy and educating consumers to make smart money decisions for a secure life and how to avoid pitfalls and scams**
- Today, we are talking with **Larry Pogemiller,** Commissioner of the Minnesota **Office of Higher Education**
- The Office of Higher Education is a cabinet-level state agency providing students with **financial aid programs and information to help them gain access to postsecondary education.**
- The Office of Higher Education is also part of the Minnesota Financial Literacy Interagency Work Group.
- The Work Group is a first of its kind interagency work group, **bringing together ten state agencies that**

have existing programs, outreach efforts or policy interests in financial literacy.

- The Minnesota Financial Literacy Interagency Work Group is focused on the following goals:
 - Increasing **communication and collaboration across the administration** in order to improve and expand existing financial literacy programs, and
 - Identifying new ways an administration-wide partnership may help ensure Minnesotans from **Kindergarten to retirement have the skills, knowledge, and resources they need to achieve financial security**
- In honor of Financial Literacy month, the Department of Commerce and Office of Higher Education are partnering to make sure that Minnesotans are financially capable and secure throughout every stage of their lives
- Higher Education is a big “**money moment**” and potentially has the **biggest impact on our financial well-being**

- Q: Commissioner Pogemiller, can you tell me more about the Office of Higher Education and the work that you do?

Commissioner Pogemiller

- Our missions is to advance the promise of higher education to all Minnesotans
 - Inform them about options, preparing and paying for college
 - Increased focus on financial literacy
 - Recently created a Student Advocate position – started this week
- Manage the Minnesota State Grant program – largest financial aid program in the state
- State clearinghouse for data, research and analysis

Commissioner Rothman

Q: Over the past decade, tuition and fees have increased three times the rate of inflation and grants have not kept up. Student debt has surpassed the \$1 trillion mark, even higher than credit card debt.

So, here's my question: Is higher education still worth it?

Commissioner Pogemiller

The demand for educated workers is strong and growing

- By the year 2020, 74 percent of Minnesota jobs will require education beyond high school. This includes a certificate, two-year degree or a four-year degree.
 - Thousands of baby boomers are retiring every day
 - Many of the jobs of tomorrow haven't even been created yet – increasing need for research, new technologies to meet the demands of the future
 - Employers cite “skills gap”, calling on colleges to adapt to meet changing needs

Just as important, a recent Pew report study indicates that despite the high cost of postsecondary education, the cost of not going to college is even higher.

- Young college graduates are outperforming their peers with less education on virtually every measure of economic well-being and career attainment
 - They make more money
 - They are more satisfied with their jobs
 - They are less likely to be unemployed

Commissioner Rothman

Q: What can students and families do to help prepare for college and reduce the cost?

Commissioner Pogemiller

Good preparation for college is a key component of reducing the cost.

- Start early!
 - Make the most of high school
 - Take the right classes
 - Graduate on time

- PSEO/dual enrollment options

- Paying for college
 - First step – Fill out the FAFSA
 - 90% of MN first-time students received financial aid (Pell, State Grant, Institutional aid)
 - Apply for all scholarships
 - Choose wisely – maybe consider living at home, starting at a community college
 - Check out net price – don't assume you can't afford a more expensive college, their aid may be better
 - Be careful when borrowing

The University of MN has a slogan, “Live like a student today so you don't have to tomorrow”.

Good advice – understand that the financial aid award letter you receive includes a loan amount that is the

maximum you can borrow – not necessarily the amount you should borrow.

Commissioner Rothman

Q: How important is saving?

Commissioner Pogemiller

“Nothing makes money like time” (Nathan Dungan)

Consider opening a 529 savings plan, such as the Minnesota College Savings Plan.

- Save now, withdraw tax free for qualifying higher education costs
- Evidence that even a small savings account for a child can inspire kids to do well in school and pursue a post-secondary education

Commissioner Rothman

Q: Finally, last session, Governor Dayton signed the MN Dream Act into law – can you tell me a little about that and how it's going?

Commissioner Pogemiller

The Dream Act signed into law by Governor Dayton is one of the best anywhere in the nation.

Undocumented students who attended a MN high school for at least 3 years and graduated are now eligible for:

- In-state college tuition
- Financial aid, including the MN State Grant, child care grants and work study jobs

As of March 1st:

- 347 students have applied
- 231 have received state grants, the rest are in process

Not only are we helping deserving young men and women fulfill their dream of a postsecondary education, we also

know they will contribute to our state economy and help meet the growing need for high-skilled labor and professionals.

Commissioner Rothman

- Larry, thank you for the important work that you do on behalf of the State of Minnesota
- Where can people find you and more information about the Office of Higher Education?